

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TEX/SB/383

8 January 1979

Special Distribution

Textiles Surveillance Body

Original: English/
French

ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Article 4 Notification

Bilateral Agreement between the EEC and Pakistan

The Textiles Surveillance Body has received from the EEC a notification of a bilateral agreement which has been concluded under Article 4 of the Arrangement between the EEC and Pakistan concerning trade in textiles^{1/}, for the period 1 January 1978 to 31 December 1981; the agreement may be extended by mutual consent, until 31 December 1982, provided that the MFA is renewed in 1981.

The TSB, pursuant to its procedure regarding bilateral agreements notified under Article 4^{2/}, has examined the relevant documentation and is circulating the text of this agreement to participating countries for their information.^{3/}

^{1/} For status of the agreement see paragraph 15, COM.TEX/SB/380.

^{2/} See COM.TEX/SB/35, Annex B.

^{3/} The TSB's observations and recommendations set forth in COM.TEX/SB/380 and 388 will apply to this agreement.

AGREEMENT

**BETWEEN THE EUROPEAN ECONOMIC COMMUNITY AND THE ISLAMIC REPUBLIC OF PAKISTAN
ON TRADE IN TEXTILE PRODUCTS**

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

of the one part, and

THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF PAKISTAN

of the other part,

DESIRING to ensure the orderly and equitable development of trade in textiles between the European Economic Community (hereinafter referred to as the Community) and the Islamic Republic of Pakistan (hereinafter referred to as Pakistan);

HAVING REGARD to the Arrangement regarding International Trade in Textiles (hereinafter referred to as "the Geneva Arrangement"), and in particular Article 4 thereof ; and to the conditions for the renewal of the said Arrangement as agreed in the document COM/TEX/W/47 adopted on 14 December 1977 by the Textiles Committee, and set out in the document L 4616 of 15 December 1977.

HAVE DECIDED to conclude this Agreement and to this end have designated as their Plenipotentiaries,

THE COUNCIL OF THE EUROPEAN COMMUNITIES :

THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF PAKISTAN

HAVE AGREED AS FOLLOWS :

Section I : Trade Arrangements

Article 1

1. The parties recognize and confirm that, subject to the provisions of this Agreement and without prejudice to their rights and obligations under the General Agreement on Tariffs and Trade, the conduct of their mutual trade in textile products shall be governed by the provisions of the Geneva Arrangement.

2. In respect of the products covered by this Agreement, the Community undertakes not to introduce quantitative restrictions under Article XIX of the General Agreement on Tariffs and Trade or Article 3 of the Geneva Arrangement.

3. Measures having equivalent effect to quantitative restrictions on the importation into the Community of the products covered by this Agreement shall be prohibited.

Article 2

1. This Agreement shall apply to trade in textile products of cotton, wool and man-made fibres originating in Pakistan which are listed in Annex I.
2. The description and identification of the products covered by this Agreement are based on the nomenclature of the Common Customs Tariff and on the Nomenclature of Goods for the External Trade Statistics of the Community and the Statistics of Trade between Member States (NIMEXE).
3. The origin of the products covered by this Agreement shall be determined in accordance with the rules in force in the Community. The procedures for control of the origin of the products referred to above are laid down in Protocol A.

Article 3

Pakistan agrees for each Agreement year to restrain its exports to the Community of the products described in Annex II to the limits set out therein.

Exports of textile products set out in Annex II shall be subject to the provisions specified in Protocol A.

Article 4

1. Exports of cottage industry fabrics woven on hand- or foot-operated looms, garments or other articles obtained manually from such fabrics and traditional folklore handicraft products shall not be subject to quantitative limits, provided that these products meet the conditions laid down in Protocol B.

2. Imports into the Community of textile products covered by this Agreement shall not be subject to the quantitative limits established in Annex II, provided that they are declared to be for re-export outside the Community in the same state or after processing, under the administrative system of control set up for this purpose within the Community.

However, the release for home use of products imported under the conditions referred to above shall be subject to the production of an export licence issued by the Pakistani authorities, and to proof of origin in accordance with the provisions of Protocol A.

3. Where the authorities in the Community ascertain that imports of textile products have been set off against a quantitative limit established under this Agreement, but that the products have subsequently been re-exported outside the Community, the authorities concerned shall inform the Pakistani authorities within four weeks of the quantities involved and authorize imports of identical quantities of the same products, which shall not be set off against the quantitative limit established in Annex II for the current or the following year.

Article 5

1. In any Agreement year advance use of a portion of the quantitative limit established for the following Agreement year is authorized for each category of products up to 5 % of the quantitative limit for the current Agreement year.

Amounts delivered in advance shall be deducted from the corresponding quantitative limits established for the following Agreement year.

2. Carryover to the corresponding quantitative limit for the following Agreement year of amounts not used during any Agreement year is authorized up to 5 % of the quantitative limit for the current Agreement year.

3. Transfers in respect of categories in Group I shall not be made from any category except as follows :

- transfers between Categories 1, 2 and 3 may be effected up to 5% of the quantitative limits for the category to which the transfer is made except that in the case of Category 1 the parties acknowledge that the transfer of 5% has already been incorporated in the quantitative limit for Category 1 set out in Annex II;
- transfers between Categories 4, 5, 6, 7 and 8 may be made up to 5% of the quantitative limit for the category to which the transfer is made.

Transfers into any category in Groups II, III, IV and V may be made from any category or categories in Groups I, II, III, IV and V up to 5 % of the quantitative limit for the category to which the transfer is made.

4. The table of equivalence applicable to the transfers referred to above is given in Annex I to this Agreement.

5. The increase in any category of products resulting from the cumulative application of the provisions in paragraphs 1, 2 and 3 above during an Agreement year shall not exceed 15%.

6. Prior notification shall be given by the authorities of Pakistan in the event of recourse to the provisions of paragraphs 1, 2 and 3 above.

Article 6

1. Exports of textile products not listed in Annex II to this Agreement may be made subject to quantitative limits by Pakistan on the conditions laid down in the following paragraphs.

2. Where the Community finds, under the system of administrative control set up, that the level of imports of products in a given category not listed in Annex II originating in Pakistan exceeds, in relation to the preceding year's total imports into the Community of products in that category, the following rates :

- for categories of products in Group I, 0.2%;
- for categories of products in Group II, $1\frac{1}{2}$ %;
- for categories of products in Group III, IV or V, 5%.

It may request the opening of consultations in accordance with the procedure described in Article 12 of this Agreement, with a view to reaching agreement on an appropriate restraint level for the products in such category.

3. Pending a mutually satisfactory solution, Pakistan undertakes, from the date of notification of the request for consultations, to suspend or limit at the level indicated by the Community in the said notification exports of the category of products in question to the Community or to the region or regions of the Community market specified by the Community.

The Community shall authorize the importation of products of the said category shipped from Pakistan before the date on which the request for consultations was submitted.

4. Should the Parties be unable in the course of consultations to reach a satisfactory solution within the period specified in Article 12 of the Agreement, the Community shall have the right to introduce a quantitative limit at an annual level not lower than that reached by imports of the category in question and referred to in the notification of the request for consultations.

The annual level so fixed shall be revised upwards after consultations in accordance with the procedure referred to in Article 12, with a view to fulfilling the conditions set out in paragraph 2, should the trend of total imports into the Community of the product in question make this necessary.

5. The limits introduced under paragraph 2 or paragraph 4 may in no case be lower than the level of imports of products in that category originating in Pakistan in 1976.

6. Quantitative limits may also be established by the Community on a regional basis in accordance with the provisions of Protocol C.

7. The annual growth rate for the quantitative limits introduced under this Article shall be determined in accordance with the provisions of Protocol D.

8. The provisions of this Article shall not apply where the percentages specified in paragraph 2 have been reached as a result of fall in total imports into the Community, and not as a result of an increase in exports of products originating in Pakistan.

9. In the event of the provisions of paragraph 2 or paragraph 4 being applied, Pakistan undertakes to issue export licences for products covered by contracts concluded before the introduction of the quantitative limit, up to the volume of the quantitative limit fixed for the current year.

10. For the purpose of applying the provisions of paragraph 2, the Community undertakes to provide the Pakistani authorities, before 31 March of each year, with the preceding year's statistics on imports of all textile products covered by this Agreement, broken down by supplying country and Community Member State.

11. The provisions of this Agreement which concern exports of products subject to the quantitative limits established in Annex II shall also apply to products for which quantitative limits are introduced under this Article.

Section II: Administration of the Agreement

Article 7

1. Pakistan undertakes to supply the Community with precise statistical information on all export certificates issued by the pakistani authorities for all categories of textile products subject to the quantitative limits set out in Annex II.

2. The Community shall likewise transmit to the pakistani authorities precise statistical information on import authorizations or documents issued by the Community authorities, and import statistics for products covered by the system of administrative control referred to in Article 6(2).

3. The information referred to above shall, for all categories of products, be transmitted before the end of the second month following the quarter to which the statistics relate.

4. Should it be found on analysis of the information exchanged that there are significant discrepancies between the returns for exports and those for imports, consultations may be initiated in accordance with the procedure specified in Article 12 of this Agreement.

Article 8

Any amendment to the Common Customs Tariff or Nimeke, made in accordance with the procedures in force in the Community, concerning categories of products covered by this Agreement or any decision relating to the classification of goods shall not have the effect of reducing any quantitative limit established in Annex II.

Article 9

Pakistan shall endeavour to ensure that exports of textile products subject to quantitative limits are spaced out as evenly as possible over the year, due account being taken, in particular, of seasonal factors.

However, should recourse be had to the provisions of Article 16(3), the quantitative limits established in Annex II shall be reduced on a pro rata basis.

Article 10

1. Portions of the quantitative limits established in Annex II not used in a Member State of the Community may be allocated to another Member State in accordance with the procedures in force in the Community. The Community undertakes to reply within four weeks to any request made by Pakistan for such reallocation. It is understood that any reallocation so effected shall not be subject to the limits fixed under the flexibility provisions set out in Article 5 of this Agreement..

2. Should it appear in any given region of the Community that additional supplies are required, the Community may, where measures taken pursuant to paragraph 1 above are inadequate to cover those requirements, authorize the importation of amounts greater than those stipulated in Annex II.

Article 11

1. In implementing this Agreement, the Contracting Parties shall take care to maintain the traditional commercial practices and trade flows between the Community and Pakistan.

2. Should either Party find that the application of this Agreement is disturbing existing commercial relations between importers in the Community and suppliers in Pakistan, consultations shall be started promptly, in accordance with the procedure specified in Article 12 of this Agreement, with a view to remedying this situation.

Article 12

1. The special consultation procedures referred to in this Agreement shall be governed by the following rules :

- any request for consultations shall be notified in writing to the other Party;
- the request for consultations shall be followed within a reasonable period (and in any case not later than fifteen days following the notification) by a statement setting out the reasons and circumstances which, in the opinion of the requesting Party, justify the submission of such a request;
- the Parties shall enter into consultations within one month at the latest of notification of the request, with a view to reaching agreement or a mutually acceptable conclusion within one further month at the latest.

2. If necessary, at the request of either of the Parties and in conformity with the provisions of the Geneva Arrangement, consultations shall be held on any problems arising from the application of this Agreement. Any consultations held under this Article shall be approached by both Parties in a spirit of cooperation and with a desire to reconcile the difference between them.

Section III : Transitional and Final Provisions

Article 13

1. The provisions of this Agreement shall not apply to imports of products subject to quantitative limits in 1977, provided such products are shipped before 1 January 1978.

2. Products originating in Pakistan which become subject to quantitative limits from 1 January 1978 only, in pursuance of this Agreement, may be imported into the Community without the production of an export certificate until 31 March 1978 and shall not be debited against the quantitative limits set out in Annex II for 1978, provided such products are shipped before 1 January 1978.

Article 14

By way of derogation from Articles 2 and 8 of Protocol A, the Community undertakes to issue import authorizations or documents without the production of an export certificate or certificate of origin in the form prescribed in the said Article 8 for products originating in Pakistan subject to quantitative limits under this Agreement provided such products are shipped in the period from 1 January 1978 to 31 March 1978 and do not exceed 40% of the quantitative limits applicable to the products. This period may be extended by agreement reached between the Parties in accordance with the procedure laid down in Article 12 of this Agreement.

The Community shall supply the Pakistani authorities without delay with precise statistical information on import authorizations or documents issued under this Article; the said authorities shall set the corresponding amounts off against the quantitative limits established in Annex II for the products in question for 1978.

Article 15

This Agreement shall apply to the territories within which the Treaty establishing the European Economic Community is applied and under the conditions laid down in that Treaty on the one hand, and to the territory of Pakistan on the other hand.

Article 16

1. This Agreement shall enter into force on the first day of the month following the date on which the Contracting Parties notify each other of the completion of the procedures necessary for this purpose. It shall be applicable until 31 December 1981 and may be extended by mutual agreement until 31 December 1982.
2. This Agreement shall apply with effect from 1 January 1978.
3. Either Party may at any time propose modifications to this Agreement or denounce it provided that at least ninety days' notice is given. In the latter event the Agreement shall come to an end on the expiry of the period of notice.
4. The Annexes and Protocols to this Agreement and the exchanges of letters shall form an integral part thereof.

Article 17

This Agreement shall be drawn up in two copies in the Danish, Dutch, English, French, German, Italian and languages, each of these texts being equally authentic.

Protocol A
Double Checking System

Title I : Quantitative Limits

Section I : Exportation

Article 1

The competent authorities of Pakistan shall issue an export certificate in respect of all consignments from Pakistan of textile products referred to in Annex II, up to the relevant quantitative limits as may be modified by Articles 5 and 10 of the Agreement.

Article 2

The export certificate shall conform to the model annexed to this Protocol. It must certify, inter alia, that the quantity of the product in question has been set off against the quantitative limit prescribed for the category of the product in question.

Article 3

The competent Community authorities must be notified forthwith of the withdrawal or alteration of any export certificate already issued.

Article 4

Exports shall be set off against the quantitative limits established for the year in which shipment of the goods has been effected, even if the export certificate is issued after such shipment.

Section II : Importation

Article 5

Importation into the Community of textile products subject to quantitative limits shall be subject to the presentation of an import authorization or document.

Article 6

The competent Community authorities shall issue such import authorization or document automatically within five working days of the presentation by the importer of a certified copy of the corresponding export licence

The import authorization or document shall be valid for six months.

Article 7

1. If the competent Community authorities find that the total quantities covered by export certificates issued by Pakistan for a particular category in any Agreement year exceeds the quantitative limit established in Annex II for that category, as may be modified by Article 5 and 10 of the Agreement, the said authorities may suspend the further issue of import authorizations or documents. In this event, the competent Community authorities shall immediately inform the authorities of Pakistan and the special consultation procedure, set out in Article 12 of the Agreement, shall be initiated forthwith.

2. Exports of Pakistani origin not covered by Pakistani export certificates issued in accordance with the provisions of this Protocol may be refused the issue of import authorizations or documents by the competent Community authorities. However, if the imports of such products are allowed into the Community by the competent Community authorities, the quantities involved shall not be set off against the appropriate limits set out in Annex II without the express agreement of Pakistan.

Title : Origin

Article 8

1. Products originating in Pakistan for export to the Community in accordance with the arrangements established by this Agreement shall be accompanied by a certificate of Pakistani origin conforming to the model annexed to this Protocol.

2. The certificate of origin shall be issued by the competent governmental authorities of Pakistan if the products in question can be considered products originating in that country within the meaning of the relevant rules in force in the Community.

3. However, the products in Groups III, IV and V may be imported into the Community in accordance with the arrangements established by this Agreement on production of a declaration by the exporter on the invoice or other commercial document to the effect that the products in question originate in Pakistan within the meaning of the relevant rules in force in the Community.

Article 9

The discovery of slight discrepancies between the statements made in the certificate of origin and those made in the documents produced to the customs office for the purpose of carrying out the formalities for importing the product shall not ipso facto cast doubt upon the statements in the certificate.

Article 10

1. Subsequent verification of certificates of origin shall be carried out at random, or whenever the competent Community authorities have reasonable doubt as to the authenticity of the certificate or as to the accuracy of the information regarding the true origin of the products in question.

In such cases the competent authorities in the Community shall return the certificate of origin or a copy thereof to the competent governmental authority in Pakistan giving, where appropriate, the reasons of form or substance for an enquiry. If the invoice has been submitted, such invoice or a copy thereof shall be attached to the certificate or its copy. The authorities shall also forward any information that has been obtained suggesting that the particulars given on the said certificate are inaccurate.

2. The provisions of paragraph 1 above shall be applicable to subsequent verifications of the declarations of origin referred to in article 8 (3) of this Protocol.

3. The results of the subsequent verifications carried out in accordance with paragraphs 1 and 2 above shall be communicated to the competent authorities of the Community within three months at the latest.

Should such verifications reveal systematic irregularities in the use of declarations of origin, the Community may subject imports of the products in question to the provisions of Article 8 (1) and (2) of this Protocol.

4. For the purpose of subsequent verification of certificates of origin, copies of the certificates as well as any export documents referring to them shall be kept for at least two years by the competent governmental authority in Pakistan.

5. Recourse to the random verification procedure specified in this Article must not constitute an obstacle to the release for home use of the products in question.

Article 11

The provisions of this Title shall not apply to goods covered by a certificate of origin Form A completed in accordance with the relevant Community rules in order to qualify for generalized tariff preferences.

Title III : Form and production of export certificates
and certificates of origin, and
common provisions

Article 12

The export certificate and the certificate of origin may comprise additional copies duly indicated as such. They shall be made out in English or French. If they are completed by hand, entries must be in ink and in printscript.

These documents shall measure 210 x 297 mm. The paper used must be white sized writing paper not containing mechanical pulp and weighing not less than 25 g/m². Each part shall have a printed guilloche-pattern background making any falsification by mechanical or chemical means apparent to the eye.

Each document shall bear a serial number, whether or not printed, by which it can be identified.

Article 13.

The export certificate and the certificate of origin may be issued after the shipment of the products to which they relate. In such cases they shall bear either the endorsement "délivré a posteriori" or the endorsement "issued retrospectively".

Article 14

In the event of theft, loss or destruction of an export certificate or a certificate of origin, the exporter may apply to the competent governmental authority which issued the document for a duplicate to be made out on the basis of the export documents in his possession. The duplicate licence or certificate so issued shall bear the endorsement "duplicata".

The duplicate must bear the date of the original licence or certificate.

Article 15

The competent governmental authorities in Pakistan shall satisfy themselves that the goods exported correspond to the statements given in the export certificate and certificate of origin.

Article 16

Pakistan shall send the Commission of the European Communities the names and addresses of the governmental authorities competent to issue export certificates and certificates of origin, together with specimens of stamps used by these authorities.

(1) Indicate the net weight of the quantity in the unit provided for the category - Indiquer le poids net (kg) ainsi que la quantité dans l'unité prévue pour la catégorie.
 (2) Indicate the currency of the contract - Indiquer la monnaie du contrat (en lettres)

1. Exporter (name, full address, country) Exportateur (nom, adresse complète, pays)	ORIGINAL	2. No
	3. Quota year Année contingente	4. Category No No de catégorie
5. Consignee (name, full address, country) Destinataire (nom, adresse complète, pays)	EXPORT CERTIFICATE (TEXTILE PRODUCTS) CERTIFICAT D'EXPORTATION (PRODUITS TEXTILES)	
	6. Country of origin Pays d'origine	7. Country of destination Pays de destination
8. Place and date of shipment - means of transport Lieu et date d'embarquement - moyen de transport	9. Supplementary details Données supplémentaires	
10. Marks and numbers-Number and kind of packages-DESCRIPTION OF GOODS Marques et numéros-Nombre et nature des colis-DESIGNATION DES MARCHANDISES	11. Quantity(1) Quantité(1)	12. Value F.E.C.(2) Valeur F.E.C.(2)
13. CERTIFICATION BY THE COMPETENT AUTHORITY - VISA DE L'AUTORITE COMPETENTE I, the undersigned, certify that the goods described above have been charged against the quantitative limit established for the year shown in box No 3 in respect of the category shown in box No 4 by the provisions regulating trade in textile products with the European Economic Community. Je soussigné certifie que les marchandises désignées ci-dessus ont été imputées sur la limite quantitative fixée pour l'année indiquée dans la case No 3 en respect de la catégorie désignée dans la case No 4 dans le cadre des dispositions régissant les échanges de produits textiles avec la Communauté Economique Européenne.		
14. Competent authority (name, full address, country) Autorité compétente (nom, adresse complète, pays)	At - A, on - le (Signature) (Stamp - Cachet)	

Page 28 Exporter (name, full address, country)

Exportateur (nom, adresse complète, pays)

ORIGINAL

2. No

3. Quota year
Année contingentaire

4. Category /
No de catégorie

CERTIFICATE OF ORIGIN
(TEXTILE PRODUCTS)

CERTIFICAT D'ORIGINE
(PRODUITS TEXTILES)

5. Consignee (name, full address, country)
Destinataire (nom, adresse complète, pays)

6. Country of origin
Pays d'origine

7. Country of destination
Pays de destination

8. Place and date of shipment - means of transport
Lieu et date d'embarquement - moyen de transport

9. Supplementary details
Données supplémentaires

10. Marks and numbers - Number and kind of packages - DESCRIPTION OF GOODS
Marques et numéros - Nombre et nature des colis - DESIGNATION DES MARCHANDISES

11. Quantity (1)
Quantité (1)

12. Value FOB (2)
Valeur FOB (2)

13. CERTIFICATION BY THE COMPETENT AUTHORITY - VISA DE L'AUTORITE COMPETENTE

I, the undersigned, certify that the goods described above are originating in the country shown in box No 6, in accordance with the provisions in force in the European Economic Community.

Je soussigné certifie que les marchandises désignées ci-dessus sont originaires du pays figurant dans la case n° 6, conformément aux dispositions en vigueur dans la Communauté Economique Européenne.

14. Competent authority (name, full address, country)
Autorité compétente (nom, adresse complète, pays)

At - A, on - le

(Signature)

(Stamp - Cachet)

(1) Indicate the net weight (kg) and also the quantity in the unit prescribed for the category - Indiquer le poids net (kg) ainsi que la quantité dans l'unité prescrite pour la catégorie.
(2) In the currency of the sale contract - Dans la monnaie du contrat de vente.

Protocol B

The exemption provided for in the first paragraph of Article 4 of the Agreement in respect of cottage industry products shall apply only to the following products :

- a) textile fabrics woven on looms operated solely by hand or foot, being fabrics of a kind traditionally made in the cottage industry of Pakistan.
- b) garments or other textile articles of a kind traditionally made in the cottage industry of Pakistan obtained manually from the fabrics described above and sewn solely by hand without the aid of any machine;
- c) traditional folklore handicraft textile products of Pakistan made by hand in the cottage industry of Pakistan as defined in a list of such products to be agreed between the two parties.

Exemption shall apply only in respect of products covered by a certificate issued by the competent authorities of Pakistan conforming to the specimen annexed to this Protocol. Such certificates shall indicate the grounds on which exemption is based and shall be accepted by the competent Community authorities provided that they are satisfied that the products concerned conform to the conditions set out in this Protocol. Should imports of any of the above products reach such proportions as to cause difficulties to the Community, the two Parties shall open consultations forthwith in accordance with the procedure laid down in Article 12 of the Agreement with a view to finding a quantitative solution to the problem.

Annex to Protocol B

This Agreement is initialled with the understanding that paragr. b) of Protocol B would be replaced, before the formal signing of the Agreement, by the following text :

"b) hand-made cottage industry products made of the handloom fabrics described in (a)".

Together with this change, the Government of Pakistan would accept a form of quantitative limitation on the products described in the revised paragr. b) above.

This limitation will be mutually negotiated early next year, and will be formalized through an exchange of letters.

Protocol C

Under Article 6 (6) of the Agreement, a quantitative limit may be fixed on a regional basis where imports of a given product into any region of the Community exceed, in relation to the amounts determined in accordance with paragraph 2 of the said Article 6, the following regional percentages :

Germany	28.5 %
Benelux	10.5 %
France	18.5 %
Italy	15 %
Denmark	3 %
Ireland	1 %
UK	23.5 %

Protocol D

The annual growth rate for the quantitative limits introduced under Article 6 of the Agreement shall be determined as follows :

(a) for products in Group I :

- the rate shall be fixed at 0.5% per year for a product in category 1 or 2,

- the rate shall be fixed at 4% per year for a product in category 3, 4, 5, 6, 7 or 8 ;

(b) for products in categories falling within Group II, III, IV. or V, the growth rate shall be fixed by agreement between the Parties in accordance with the consultation procedure established in Article 14 of the Agreement. Such growth rate may in no case be lower than the highest rate applied to corresponding products under bilateral agreements concluded under the Geneva Arrangement between the Community and other third countries having a level of trade equal to or comparable with that of Pakistan.

DECLARATION

concerning Article 2 (3) of the Agreement

The Community declares that, in accordance with the Community rules on origin referred to in Article 2 (3) of the Agreement, any amendments to the said rules will remain based upon criteria not requiring, in order to confer originating status, more extensive operations than those which constitute a single complete process.

Done at Brussels,

For the European Economic Community,

EXCHANGE OF LETTERS

1. The Community may, for the years after 1978, make adjustments to the distribution between Member States of the quantitative limits established in Annex II to the Agreement for categories of products in Group I, it being understood :

- that in no case may the Community level of the quantitative limits in question be reduced; and
- that Pakistan shall be notified of any such adjustment for a given year by 30 June of the preceding year at the latest.

2. Where, in the opinion of Pakistan, such adjustments might create difficulties in regard to the flow of trade between the Community and Pakistan, consultations shall be opened promptly in accordance with the procedure specified in Article 12 of the Agreement, with a view to remedying these difficulties.

3. Should such adjustments exceed 10 % of the volume of the national shares in question, they shall be effected only by agreement reached between the Parties in accordance with the consultation procedure specified in Article 14 of the Agreement.

EXCHANGE OF NOTES

The Mission of Pakistan to the European Communities presents its compliments to the Directorate General for External Relations of the Commission of the European Communities and has the honour to refer to the Agreement in textile products negotiated between Pakistan and the Community and initialled on 27 December 1977.

The Mission of Pakistan wishes to inform the Directorate General that whilst awaiting the completion of the necessary procedures for the conclusion and the coming into force of the Agreement, the Pakistanian Government is prepared to allow the provisions of the Agreements to apply de facto from 1st January 1978 if the Community is disposed to do likewise.

The Mission of Pakistan would be grateful if the Community would confirm its agreement to the foregoing.

The Mission of Pakistan would like also to propose that the present note and the Community's note in reply shall constitute an Agreement between the Pakistanian Government and the Community.

The Mission of Pakistan avails itself of this opportunity to renew to the Directorate General for External Relations the assurance of its highest consideration.

The Directorate General for External Relations of the Commission presents its compliments to the Mission of Pakistan to the European Communities and has the honour to refer to the Mission's note of today reading as follows:

"The Mission of Pakistan to the European Communities presents its compliments to the Directorate General for External Relations of the Commission of the European Communities and has the honour to refer to the Agreement in textile products negotiated between Pakistan and the Community and initialled on 27 December 1977.

The Mission of Pakistan wishes to inform the Directorate General that whilst awaiting the completion of the necessary procedures for the conclusion and the coming into force of the Agreement, the Pakistanian Government is prepared to allow the provisions of the Agreement to apply de facto from 1st January 1978 if the Community is disposed to do likewise.

The Mission of Pakistan would be grateful if the Community would confirm its agreement to the foregoing.

The Mission of Pakistan would like also to propose that the present note and the Community's note in reply shall constitute an Agreement between the Pakistanian Government and the Community.

The Mission of Pakistan avails itself of this opportunity to renew to the Directorate General for External Relations the assurance of its highest consideration."

The Directorate General for External Relations has the honour to confirm to the Mission of Pakistan that it is agreed on the content of the foregoing note and considers therefore that the exchange of notes constitutes an agreement between the Pakistanian Government and the Community.

The Directorate General for External Relations avails itself of this opportunity to renew to the Mission of Pakistan to the European Communities the assurance of its highest consideration.

EXCHANGE OF LETTERS

27 December 1977

Dear Mr.

Please refer to the Agreement between the European Economic Community and the Islamic Republic of Pakistan on trade in textile products initiated between the two parties on 27 December 1977.

In accordance with Article 16, paragraph 1 of the said Agreement, the Community wishes to notify the Government of Pakistan that it is prepared to extend the Agreement for a further year until 31 December 1982, provided that the Geneva Arrangement will be renewed after 1981 under the present conditions, and if the Government of Pakistan is disposed to do likewise.

I would be grateful if the Government of Pakistan would confirm its agreement to the foregoing.

I would like also to propose that the present letter and the Government of Pakistan's reply shall constitute an Agreement between the Government of Pakistan and the Community.

For the Council of the European Communities

To the Government of Pakistan

EXCHANGE OF LETTERS

27 December 1977

Dear Mr.

I hereby confirm receipt of the following letter :

"Please refer to the Agreement between the European Economic Community and the Islamic Republic of Pakistan on trade in textile products initialled between the two parties on 27 December 1977.

In accordance with Article 16, paragraph 1 of the said Agreement, the Community wishes to notify the Government of Pakistan that it is prepared to extend the Agreement for a further year until 31 December 1982, provided that the Geneva Arrangement will be renewed after 1981 under the present conditions, and if the Government of Pakistan is disposed to do likewise.

I would be grateful if the Government of Pakistan would confirm its agreement to the foregoing.

I would like also to propose that the present letter and the Government of Pakistan's reply shall constitute an Agreement between the Government of Pakistan and the Community".

I confirm my agreement to the content of the foregoing letter and consider therefore that the exchange of notes constitutes an agreement between the Government of Pakistan and the Community.

For the Government of Pakistan

To the Council of Ministers
of the European Communities

Annex II

<u>Group/Category</u>		<u>1000 pieces/tonnes</u>	<u>Growth rates</u>
I.	1	7.000 t.	0,5%
	2	20.000 t. (i)	0,25%
	4	5.325 p.	4%
	5	1.204 p.	6%
	7	2.575 p.	1,5%
	8	2.388 p.	2%
II.	9	871 t.	6%
	24	133 p.	6%

(i) of which for "other than grey or bleached" a maximum of 1.200 t. with a growth rate of 6%.

INTERNATIONAL TRADE IN TEXTILES
AGREEMENT BETWEEN THE EUROPEAN ECONOMIC COMMUNITY
AND THE ISLAMIC REPUBLIC OF PAKISTAN

Q = QUOTA

C = CELLING - BUTOIR

Note: For the full description of the products in this Annex, see column 2 of Annex I.

PRODUITS DU GROUPE I

GROUPE I

PAYS Participant

Produits	Produits	Année	Région	Unité - Unit	CEE	D	F	I	BEU	UK	IRI	IX		
1. Fils de coton, n.o.v.d. Cotton yarns, not for retail sale		1978	0	tonnes	7.000	1.232	1.566	1.232	1.206	619	332	161		
		1979			7.035									
		1980			7.070									
		1981			7.105									
		1982			7.141									
2. Tissus de coton Cotton fabrics		1978	0	tonnes	20.000	2.932	2.162	2.263	1.390	10.285	774	202		
		1979			20.050									
		1980			20.100									
		1981			20.150									
		1982			20.200									
3. Tissus de fibres synthétiques discontin- tinues Fabrics of discontinuous synthetic fibres		1978												
		1979												
		1980												
		1981												
		1982												
4. Tissus de fibres synthétiques discontin- tinues Fabrics of discontinuous synthetic fibres		1978												
		1979												
		1980												
		1981												
		1982												

6.325
6.578
6.841
7.115
7.400

GROUPE I

PAYS Industrialisés

Produits	Année	Règles	Unité - Unit	CEE	D	F	I	IRL	UK	IRL	DK
5. Chandails, pull-overs ... Jerseys, pull-overs ...	1978	0		1.204	256	28	122	72	80	6	40
	1979		1000	1.276							
	1980		pieces	1.353							
	1981			1.434							
	1982			1.520							
6. Pantalons tissés hommes et femmes et culottes hommes Men's and women's woven trousers and men's shorts and breeches	1978										
	1979										
	1980										
	1981										
	1982										
7. Chemisiers tissés et de bonneterie pour femmes Women's woven and knitted blouses	1978	0		2.675	537	232	714	449	542	8	93
	1979		1000	2.715							
	1980		pieces	2.756							
	1981			2.797							
	1982			2.839							
8. Chemises tissées pour hommes Men's woven shirts	1978	0		2.388	347	111	441	252	1.157	11	39
	1979		1000	2.436							
	1980		pieces	2.485							
	1981			2.535							
	1982			2.586							

ANNEXE II
PTIS - Pakistan

Produits - Products	Année	Région	Unité - Unit	1977	0	F	I	CH	UK	ICL	IK
22. Fil de fibres synthétiques discontinus, n.c.v.d., Yarns of discontinuous synthetic fibres not for retail sale	1978										
	1979										
	1980										
	1981										
	1982										
dont: fibres acryliques of which: acrylic fibres	1978										
	1979										
	1980										
	1981										
	1982										
23. Fil de fibres artificielles discontinus, n.c.v.d., Yarns of discontinuous regenerated fibres, not for retail sale	1978										
	1979										
	1980										
	1981										
	1982										
24. Fil de fibres artificielles discontinus, n.c.v.d., Yarns of discontinuous regenerated fibres, not for retail sale	1978										
	1979		1000	133							
	1980			141							
	1981			149							
	1982			158							